ANNUAL REPORT
FISCAL YEAR 2005

HEALTH STRATEGIES COUNCIL
OF GEORGIA

Appointed by the Governor
to advise and support the health planning mission of the

GEORGIA DEPARTMENT OF
COMMUNITY HEALTH

November 2005

FROM THE CHAIRMAN

November 18, 2005

Governor Sonny Perdue
Lt. Governor Mark Taylor
Speaker of the House Glenn Richardson
Members, Georgia General Assembly
Members, Georgia Congressional Delegation
Members, Board of Community Health
Commissioner, Georgia Department of Community Health

Ladies and Gentlemen:

It is with pleasure that I submit the Health Strategies Council's FY2005 Annual Report.

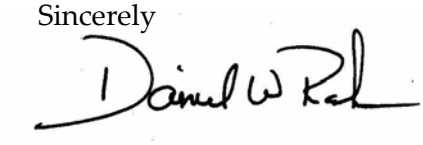
There are numerous reasons to reflect on the past year with immense satisfaction and to look forward to the future with enthusiasm. The outcome of the Council's work during the past fiscal year supports the Department's vision of providing sound leadership that supports innovative health planning, a focus on health promotion, and provision of programs and services that improve community health.

The Health Strategies Council is comprised of talented and dedicated individuals with whom it has been an honor and privilege to work. There is good reason to feel optimistic about our collective ability to ensure the health and well-being of Georgians.

As we look to the future and the complex issues that must be addressed in the areas of access, quality and cost of healthcare, the Council will continue to recommend policies that promote the highest standards of care for all Georgians. We are committed to open and transparent debate and proactive communication on all healthcare issues. We endorse the Department's open public participatory process as the most reliable mechanism to seek appropriate solutions to industry challenges.

The Council will continue to work diligently to set high standards for health planning in Georgia. I offer my sincerest gratitude to the Council for their valuable contributions to Georgia's citizens and thank you for your continued support.

Sincerely



Daniel W. Rahn, M.D., Chair

2005 COUNCIL MEMBERS

Members of the Health Strategies Council are appointed by the Governor to represent various health care interests. Members of the Health Strategies Council and their respective affiliations and categories of representation on October 31, 2005, are as follows:

MEMBER AND AFFILIATION	CATEGORY OF REPRESENTATION
*** Daniel W. Rahn, M.D., *Council Chair*** President, Medical College of Georgia	Member at Large
Elizabeth P. Brock, *Council Vice-Chair* President, Pallets Incorporated	Health Care Needs of Small Business
William G. Baker, Jr., M.D. President, Atlanta Regional Health Forum, Inc.	Health Care Needs of Low-Income Persons
Honorable Glenda M. Battle, RN, BSN Decatur County Commissioner, Bainbridge Association of County Commissioners of GA	County Governments
Harve R. Bauguess President, Bauguess Management Company, Inc.	Health Care Providers – Nursing Homes
VACANT	Health Care Needs of Older Persons
Edward J. Bonn, CHE President/CEO, Southern Regional Health System	Health Care Providers – Urban Hospitals
VACANT	Health Care Needs of Populations with Special Access Problems
Tary L. Brown CEO, Albany Area Primary Health Care, Inc.	Health Care Providers – Primary Care Centers
W. Clay Campbell Executive Vice President, Archbold Medical Center	Health Care Providers – Home Health Agencies
Nelson B. Conger, D.M.D. Dentist	Health Care Providers – Primary Care Dentist,
Katie Foster Regional Director, Service Employees International Union	Health Care Needs of Organized Labor

Charlene M. Hanson, EdD, FNP Professor Emerita, Family Nurse Practitioner Georgia Southern University	Health Care Providers – Nurse Practitioner
VACANT	Health Care Needs of Persons with Disabilities
Reverend Ike E. Mack Pastor, Unionville Baptist Church, Warner Robins	Member at Large
Felix T. Maher, D.M.D. Dentist,	Health Care Providers – Primary Care Dentist
Julia L. Mikell, M.D. Neurologist Neurological Institute of Savannah	Health Care Providers – Specialty Physician
James C. Peak CEO, Memorial Hospital & Manor	Health Care Needs of Populations with Special Access Problems
VACANT	Health Care Needs of Large Business
Raymer Sale, Jr., CLU President, E2E Resources, Inc. Lawrenceville	Private Insurance Industry
Toby D. Sidman Georgia Breast Cancer Coalition & Fund	Health Care Needs of Women
Cathy P. Slade Director, Georgia Medical Center Authority	Health Care Needs of Populations with Special Access Problems
Oscar S. Spivey, M.D. Professor and Chairman Emeritus of Pediatrics Mercer University School of Medicine	Health Care Needs of Children
Tracy Michele Strickland Associate, Heidrick & Struggles	Member at Large
Kurt Stuenkel, FACHE President & CEO, Floyd Medical Center	Health Care Providers – Rural Hospitals
Kay L. Wetherbee, RN Principal, Encounter Technology	Health Care Providers – Registered Nurse
David M. Williams, M.D. President/CEO, Southside Medical Center	Health Care Providers – Primary Care Physician

* Note: Council Chair

NEW APPOINTMENTS TO THE HEALTH STRATEGIES COUNCIL

During October 2005, additional members were appointed to the Health Strategies Council. Their names, respective affiliations, and categories of representation appear below:

Charles T. "Chuck" Adams Chief Executive Officer TyCobb Healthcare System Royston	Health Care Providers - Rural Hospitals
William G. Baker, Jr., M.D. Executive Director Atlanta Regional Health Forum, Inc. Atlanta	Health Care Needs of Low-Income Persons
Harve R. Bauguess President Bauguess Management Company, Inc. Atlanta	Health Care Providers - Nursing Homes
Elizabeth P. Brock (Vice Chair) President, Pallets Incorporated Atlanta	Health Care Needs of Small Business
Tary L. Brown Chief Executive Officer Albany Area Primary Health Care, Inc. Albany	Health Care Providers- Primary Care Centers
W. Clay Campbell Executive Vice President Archbold Health Services Thomasville	Health Care Providers - Home Health Agencies
Susan Chambers, RNC Vice President & Chief Nurse Executive Gwinnett Hospital System Lilburn	Health Care Providers - Registered Nurse
Nelson B. Conger, D.M.D. General Dentistry Dalton	Health Care Providers - Primary Care Dentists
Janet P. Deal Regional Director ResCare, Inc. Douglasville	Health Care Needs of Persons with Disabilities
Katie Foster Ellenwood	Health Care Needs of Organized Labor

John F. Freihaut, D.D.S. General Dentistry Marietta	Health Care Providers- Primary Care Dentists
Vernon E. "Trey" Googe, III Chief Operating Officer Seven Oaks Company, LLC Atlanta	Member-At-Large
Michael E. Greene, M.D. Family Physician Macon	Health Care Providers Primary Care Physicians
Charlene M. Hanson, Ed.D., FNP Professor Emerita, Family Nurse Practitioner Georgia Southern University Statesboro	Health Care Providers- Nurse Practitioners
C. Thomas Hopkins, Jr., M.D. Orthopedic & Sports Injury Center Griffin	Health Care Providers - Specialty Physicians
Donna W. Hyland Chief Operating Officer Children's Healthcare of Atlanta Atlanta	Health Care Needs of Children
Gary G. Oetgen President Gary G. Oetgen Agency Savannah	Private Insurance Industry
James Peak Chief Executive Officer Memorial Hospital & Manor Bainbridge	Health Care Needs of Populations with Special Access Problems
Kelly Penton Chief Financial Officer Doctor's Hospital Augusta	Health Care Providers - Urban Hospitals
Jessie L. Petrea Chief Executive Officer Southern Living Alternative, Inc. Savannah	Health Care Needs of Older Persons
Louise Radloff Executive Director Interlocking Communities, Inc. Norcross	County Government
***Daniel W. Rahn, M.D. (Chair)** President Medical College of Georgia Augusta	Member-At-Large

Sheila M. Ridley President & Chief Executive Officer Sovereign Solutions, LLC Tifton	Member-At-Large
Toby D. Sidman Past President, Georgia Breast Cancer Coalition & Georgia Breast Cancer Coalition Fund	Health Care Needs of Women
Mark H. Wilson Vice President & Director, Human Resources Langdale Industries, Inc. Valdosta	Health Care Needs of Large Business
VACANT	Health Care Needs of Populations with Special Access Problems
VACANT	Health Care Needs of Populations with Special Access Problems

* Note: Council Chair

OVERVIEW

The Health Strategies Council is responsible for developing Georgia's State Health Plan and addressing policy issues concerning access to health care services. The members of the Council are appointed by the Governor and represent a wide range of health care and consumer interests. The Council focuses on providing policy direction and health planning guidance for the Division of Health Planning, the Office of General Counsel, and, where appropriate, the Department of Community Health as a whole.

The functions of the Council are set forth in O.C.G.A. 31-6-21 and provide for the Council to:

- Adopt the state health plan and submit it to the [Board of Community Health] for approval which shall include all of the components of the Council's functions and be regularly updated;
- Review, comment on, and make recommendations to the Department on the proposed Rules for the administration of this chapter, except emergency Rules, prior to their adoption by the Department;
- Conduct an ongoing evaluation of Georgia's existing health care resources for accessibility, including but not limited to financial, geographic, cultural, and administrative accessibility, quality, comprehensiveness, and cost;
- Study long-term comprehensive approaches to providing health insurance to the entire population; and
- Perform such other functions as may be specified for the council by the Department or the board.

The role and impact of the Health Strategies Council has continued to expand and has strengthened over time and during Fiscal Year 2005. To fulfill its broad mission, the Council holds quarterly public meetings and regularly convenes committees consisting of providers, advocates and technical experts to advise the Department and the Division on the need for changes and improvements to the state health plan.

The Council has continued to play a key role in the updating of the Certificate of Need plans and Rules to reflect the state's healthcare priorities while keeping the needs of Georgia's citizens at the forefront of the planning process. The Council is committed to ensuring planning policies that incorporate access, stewardship, quality of care, integration of healthcare services and the improvement of the health status of Georgia's citizens.

GEORGIA'S STATE HEALTH PLAN

A major duty of the Health Strategies Council is the development and ongoing refinement of Georgia's State Health Plan. The current State Health Plan consists of thirteen (13) comprehensive component plans addressing a wide range of health care services and facilities. In most cases, these component plans serve as the basis for administrative Rules and regulations governing the certificate-of-need process and integration with other department programs. The Council also uses the health planning process to promote the achievement of community wellness and access to care, as well as the broader health missions of the Department of Community Health, the Governor and the State of Georgia.

The process of developing new or revised components for the State Health Plan often involves the appointment of advisory committees whose members bring a range of technical expertise to the development process. Members of these committees are carefully selected to include providers, consumers, payers, regulators, and other interested parties. Each proposed change to the State Health Plan and any resulting rule changes must undergo a public review and comment process. Also, the Department and the Board of Community Health must approve any changes to the components of the State Health Plan.

COMPONENTS OF THE STATE HEALTH PLAN

COMPONENT PLAN	**DATE OF LATEST ADOPTION**
Ambulatory Surgical Services	June 1998**
Continuing Care Retirement Communities	January 1998
Home Health Services	February 2001
Inpatient Physical Rehabilitation Services	October 1994**
Nursing Facilities	August 2000
Perinatal Health Services	February 1999
Personal Care Homes	August 2001
Positron Emission Tomography	February 2002
Psychiatric and Substance Abuse Inpatient Services	July 1990**

Radiation Therapy Services	May 2001
Short-Stay General Hospital Beds	April 2003
Specialized Cardiovascular Services • Adult Cardiac Catheterization • Open-heart Surgical Services • Pediatric Cardiovascular Services	May 2001^^
Traumatic Brain Injury	May 1990‡

Note:

**Revision in process.

^^Amended to allow participation in a national research trial.

‡ To be collapsed into the State Health Plan for Comprehensive Inpatient Physical Rehabilitation Services. Standards for Long Term Care Hospitals (LTCHs) also will be included in this planning document.

FISCAL YEAR 2005

ACCOMPLISHMENTS

During FY 2005, the three Standing Committees of the Health Strategies Council namely, Acute Care, Long Term Care, and the Special and Other Services Committees met to review the thirteen components of the state health plan. The purpose of each committee is to annually review the components of the state health plan and to make recommendations to the Health Strategies Council about the need for revisions and updates.

The Standing Committees met during January 2005. Committee members utilized a wide range of mechanisms to inform their decision-making process, including presentations from industry representatives, oral and written public comments, and information and data from the Department of Community Health.

Each Council member was asked to serve on at least one Standing Committee. The Council Chair served as an ex-officio member of each committee. Committee members appear below:

Acute Care Committee	Long Term Care Committee	Special & Other Services Committee
+ *Kurt M. Stuenkel, FACHE*	*+W. Clay Campbell*	*+David M. Williams, M.D.*
Glenda Battle, RN	Elizabeth Brock	William G. Baker, Jr., M.D.
Edward J. Bonn	Harve R. Bauguess	Nelson B. Conger, D.M.D.
Katie Foster	Tary Brown	Felix Maher, D.M.D.
James Peak	Dr. Charlene Hanson	Toby D. Sidman
Oscar Spivey, M.D.	Reverend Ike E. Mack	Cathy Slade
Tracey M. Strickland	Julia L. Mikell, M.D.	Kay Wetherbee
VACANT	Raymer Sale, Jr	VACANT
	(2) VACANCIES	

Note: + Committee Chairperson

The three Standing Committees addressed each of the following components of the State Health Plan:

Acute Care Services	Long Term Care	Special and Other Services
General Short Stay Hospital Services	Nursing Facilities	Positron Emission Tomography
Open-Heart Surgical Services	Personal Care Homes	Radiation Therapy Services
Perinatal Health Services	Home Health Services	Ambulatory Surgical Services
Psychiatric & Substance Abuse Inpatient Services	Inpatient Physical Rehabilitation Services	
Cardiac Catheterization Services	Traumatic Brain Injury Programs	
	Continuing Care Retirement Communities	

Below is a summary of the recommendations of the Standing Committees and a synopsis of other ongoing health planning activities that were undertaken in several areas during FY2005.

ACUTE CARE SERVICES STANDING COMMITTEE

The Acute Care Standing Committee, chaired by Kurt Stuenkel, FACHE, recommended that there be no changes to the State Health Plan and Rules which govern the development of Perinatal Health Services and Short Stay General Hospital Beds however the committee recommended that the Rules governing Short Stay General Hospital Beds be revisited in two years to ensure that they are adequate, given industry changes. The Committee further recommended the establishment of a technical advisory committee (TAC) to review the State Health Plan and Rules for Psychiatric & Substance Abuse Inpatient Services, given that this plan was last updated in 1990.

LONG TERM CARE SERVICES STANDING COMMITTEE

W. Clay Campbell, Chair, The Long Term Care Services Standing Committee, invited industry representatives to speak at its annual meeting. Following significant discussion and input the committee recommended that there be no changes to the State Health Plans and Rules for Personal Care Homes, Home Health Services, and Nursing Facilities.

The Standing Committee endorsed the Department's recommendations regarding the need to establish a technical advisory committee to develop a State Health Plan and Rules for Long-term Acute Care Hospitals (LTACHs) and they recommended that the outdated Plans and Rules that govern Inpatient Physical Rehabilitation Services and Traumatic Brain Injury Programs be updated.

In addition to recommendations to update selected state health plans, the committee acknowledged comments from Home Health and Traumatic Brain Injury Services providers who expressed concern about the three percent (3%) indigent and charity care commitment that is required for applicants seeking to offer these services. The Committee relegated this concern to the Indigent & Charity Care Ad Hoc Committee for consideration and policy development.

SPECIAL & OTHER SERVICES STANDING COMMITTEE

The Special and Other Services Committee made no recommendations for changes to the State Health Plan and Rules for Radiation Therapy Services but recommended the establishment of a technical advisory committee for Positron Emission Tomography (PET) and Stereotactic Radiosurgery Units. It is anticipated that these TACs would begin their work during FY2006. This committee was chaired by David M. Williams, M.D.

WORK PLAN INITIATIVE

During Fiscal Year 2005, Council members embarked on a process of identifying critical issues that are impacting the healthcare delivery system. Members agreed that the outcome of this process would serve as one of the determinants in planning the Council's work over the next few years.

Access to healthcare services was a central theme that was evident throughout this exercise. Among the issues that Council members identified were access issues relating to manpower, cultural, financial, administrative, and geographic considerations. The Council is committed to continuing to augment this list and to establishing some reasonable time frames in which to address these identified issues.

Following is a list of some of the issues that were identified by the Council:

- ***ACCESSIBILITY - MANPOWER ISSUES***
  - Physician Coverage in Hospital Emergency Rooms
  - Trauma Care – (funding and physician coverage)
  - Healthcare Workforce Issues (maldistribution and shortage of providers)

- ***ACCESSIBILITY – CULTURAL ISSUES***
  - Racial/Cultural disparities

- ***ACCESSIBILITY - FINANCIAL /COST ISSUES***
  - Financing of Georgia's health care system (long-term outlook for payors and providers)
  - Relationship between the cost of dental care and demand for these services
  - Relationship between state revenues and budget cuts
  - Medicaid Reimbursement Rates
  - Medicaid Managed Care

- ***COMPREHENSIVENESS OF CARE***
  - Role of education and prevention in good health outcomes

- ***OTHER***
  - Market based solutions- role of public/private collaboratives
  - Legislative Mandates and Initiatives

ONGOING HEALTH PLANNING ACTIVITIES

COMPREHENSIVE INPATIENT PHYSICAL REHABILITATION SERVICES

At the recommendation of the Long Term Care Standing Committee, the Inpatient Physical Rehabilitation Services Technical Advisory Committee (TAC) was convened. To date, the TAC has held over five meetings. The work of the TAC was initially focused on Inpatient Physical Rehabilitation Services however the scope of the committee's work has been broadened to encompass both traumatic brain injury and long term acute care hospital services. The TAC's work is ongoing and is expected to be completed during CY2006.

PSYCHIATRIC & SUBSTANCE ABUSE INPATIENT SERVICES

Due to changes in the industry and the age of the current health planning documents that regulate Psychiatric & Substance Abuse Inpatient Services, the Acute Care Services Standing Committee recommended the establishment of a technical advisory committee. The committee's membership is broadly-based and reflects a wide geographic representation. The committee held its first meeting in the latter part of 2005. Policy recommendations are expected during CY2006.

AMBULATORY SURGICAL SERVICES

The Ambulatory Surgical Services Technical Advisory Committee (TAC) was established during 2003 to review the component plans and regulations covering the establishment, replacement or expansion of freestanding ambulatory surgery services governed by the Certificate of Need process. The TAC produced draft health planning documents which were presented to the Health Strategies Council; however; because of concerns that were raised by the Department and other constituents, the Office of Attorney General (OAG) was consulted to provide legal guidance. The Department and the TAC received some policy guidance from the OAG during late CY2005. The TAC has not met since November 2003, but is expected to finalize its recommendations during CY2006.

SPECIALIZED CARDIOVASCULAR SERVICES

The Health Strategies Council became aware of emerging research spearheaded by the Atlantic Cardiovascular Patient Outcomes Research Trial (C-PORT) which would allow selected hospitals to participate in a study protocol to provide primary and elective angioplasty without on-site open-heart surgical services. During FY2004, the Council, together with the Department, invited and hosted the principal investigator, Thomas Aversano, M.D. to the State of Georgia to obtain additional information about this study. Dr. Aversano indicated that there is a need for nationwide research to examine the safety and efficacy of these treatment modalities and to further examine factors relating to continuity of care and regionalization of these specialized services. Participation in the research trial would allow eligible hospitals to provide coronary angioplasty services. When patient accrual is completed on a national level, or upon three years

after the trial's inception at Georgia hospitals, whichever is sooner, approval to provide these services by providers in the research trial would end.

With the approval and recommendation of the Health Strategies Council, the Board of Community Health adopted Rules to allow up to ten eligible hospitals to participate in the Georgia-Atlantic CPORT Study. Thirty-six (36) hospitals in Georgia were eligible to participate in the Research Trial; Twenty-five (25) hospitals submitted a Request to Participate in the Georgia-Atlantic Research Trial; ten (10) hospitals were selected to participate. It is expected that this research trial would be launched in Georgia during February 2006.

INDIGENT AND CHARITY CARE

The Health Strategies Council recommended the establishment of an Indigent and Charity Care Ad Hoc Committee to review the Department's current definitions of indigent and charity care and to provide the Department with clear definitions that would provide uniformity and equity for providers when collecting, calculating, and reporting indigent and charity care in the state. Because of the overlapping responsibilities between the work of the Division of Medical Assistance and the Division of Health Planning with regard to data reporting and collection, the Commissioner assigned the work relating to the development of definitions relating to hospitals to the Division of Medical Assistance. The TAC and the Division of Health Planning has continued to address issues surrounding the indigent and charity care commitments for home health. A final report by the TAC is expected in 2006.

EDUCATIONAL OPPORTUNITY & LEGISLATIVE UPDATE

GEORGIA'S MEDICAID MANAGED CARE

During FY05 Council members were provided with an opportunity to learn about the Department's initiative to secure a medical home for Georgia's Medicaid population and for Georgians with chronic diseases. These programs will be launched in different parts of the state at different times, starting in January 2006. They are expected to provide coordinated healthcare services for patients at lowered healthcare costs.

HOUSE BILL 390-STATE COMMISSION ON THE EFFICACY OF THE CERTIFICATE OF NEED PROGRAM.

During FY 2005, the Georgia General Assembly passed HB390. This bill authorized the formation of a Commission, whose primary responsibility is to conduct a review of the CON program, including examining the effectiveness of the CON program, the impact on health care, and the cost of continuing or discontinuing this program. The

Commission will determine if changes to the program are needed to achieve state policy objectives. The Commission is composed of eleven (11) members. The Chairpersons of the DCH Board and the Health Strategies Council are ex-officio members. The Commission is required to issue a final report to the Governor and the Georgia General Assembly no later than June 30, 2007.

CERTIFICATE OF NEED

Development of the components of the State Health plans and Rules relating to the Certificate of Need Program, along with the collection and analysis of information about Georgia's health care system are the cornerstone of the Division of Health Planning's responsibilities. The Health Strategies Council provides policy guidance to the Division and the Department while the Office of General Counsel, among other things, manages the CON application review, the implementation process and the enforcement process, following adoption of the Plans and Rules by the Health Strategies Council and the Board of Community Health.

A Certificate of Need (CON) is a document issued by the Department of Community Health that indicates that a proposed health care project is necessary to meet community needs. Georgia's Health Planning Statute, Title 31, Chapter 6, requires the issuance of a CON before proceeding with certain kinds of health care projects. Georgia's Health Planning Statute covers almost all health care facilities, including:

- All public and private hospitals, including general, acute-care, and specialized hospitals;
- Nursing homes;
- Ambulatory surgical services or obstetrical facilities;
- Home health agencies;
- Personal care homes (with 25 or more beds);
- Inpatient rehabilitation facilities treating traumatic brain injury;
- Diagnostic, treatment and rehabilitation centers (whether for-profit or not-for-profit). These facilities must obtain a CON before:
    - Offering radiation therapy, biliary lithotripsy, cardiac catheterization, or surgical procedures outside a hospital setting; or
    - Acquiring any diagnostic or therapeutic equipment exceeding the equipment threshold.

A CON is required before a health care facility can:

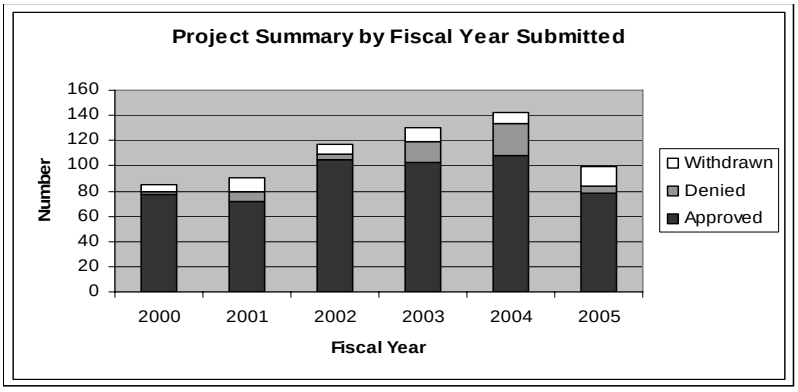
- Proceed with a construction or renovation project or any other capital expenditure that exceeds the construction threshold;
- Purchase or lease major medical equipment that exceeds the threshold amount for equipment acquisition;

- Offer a health care service which was not provided on a regular basis during the previous 12-month period; or
- Add new beds.

Below is a summary of the Certificate of Need applications that were submitted to the Department for review during FY2000-FY2005 The charts that follow provide a comprehensive review of all CON applications that were submitted to the Department during this period but also offer a snapshot of three major categories of CON applications, namely service changes, procurement and construction projects. Data regarding the number of appeals and decision reversals is also captured. Data related to Letters of Non-Reviewability and Letters of Determinations are not included.

CON PROJECT SUMMARIES

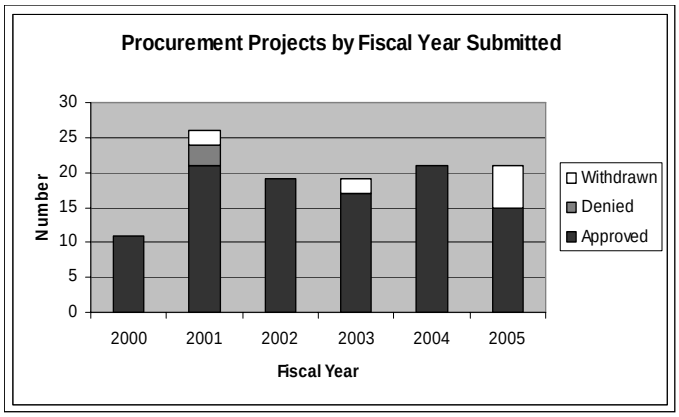
CON Projects submitted to the Department (FY2000-FY2005)



Source: Georgia Department of Community Health, (as of 11/08/05)

Between FY2000 and FY2005, six hundred and sixty-six CON applications were submitted to the Department, an average of 111 applications during each fiscal year. During this six-year period, an overwhelming majority of applications 82% (543) were approved by the Department. Approximately 9% (62) applications were denied and nineteen percentage (19%) of applications were withdrawn during this period. During FY2000, the smallest number of applications (85) was submitted; while the largest number of applications (142) was submitted during FY2004. On average, ten (10) projects were denied during each fiscal year.

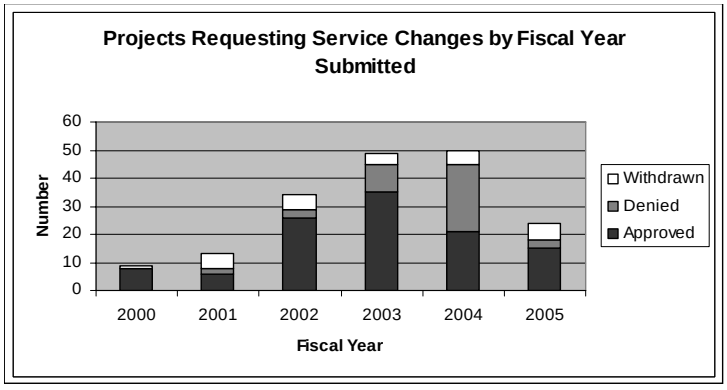
CON Procurement Projects FY2000-FY2005



Source: Georgia Department of Community Health, (as of 11/08/05)

There are three major types of CON applications that are submitted to the Department, including projects requesting equipment procurement, construction, or those seeking service changes. Procurement projects relate to those applicants seeking to acquire or replace medical equipment. Procurement projects represented approximately 18% of all applications submitted to the Department during FY2000-FY2005. The chart above depicts the history of Procurement Projects from FY2000-FY2005. Eighty-nine percent (104) projects were approved during these fiscal years; (3) 3% were denied, all of which occurred during FY2001 and (10) 9% were withdrawn during this fiscal period. On average, 20 Procurement projects were submitted each year during this fiscal period. During FY2000 - FY2005, procurement projects received among the highest approval rates from the Department.

CON Projects Requesting Service Changes FY2000-FY2005

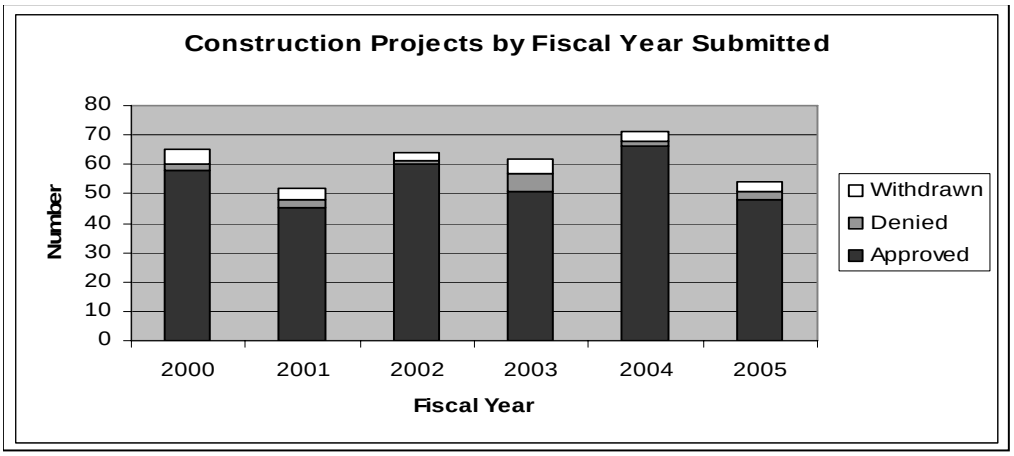


Source: Georgia Department of Community Health, (as of 11/08/05)

Between FY2000 & FY2005, one hundred eighty-one CON projects were submitted requesting service changes. Applications requesting service change accounted for approximately 27% of all CON applications during these fiscal years. Of the total number of applications submitted seeking service changes, 112 were approved; 42 were denied and 26 were withdrawn, representing 62%, 23% and 15% respectively. The largest number of applications (51)

requesting service changes, were submitted during FY2004. The smallest number of applications, (9), was submitted during FY2000. Of the 181 CON applications submitted during FY2000-FY2005, requesting service changes, 53 (34%) of these decisions were appealed and 5 (3%) of these decisions were reversed.

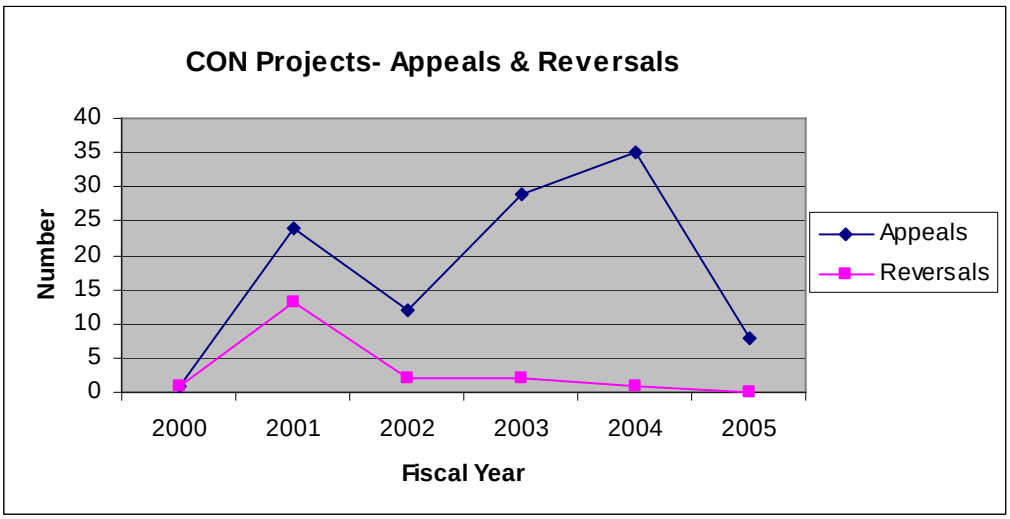
CON Construction Projects, FY2000-FY2005



Source: Georgia Department of Community Health, (as of 11/08/05)

Construction projects represented approximately 55% of all CON applications during this six-year period. On average, the Department received 61 applications for construction projects each year during this six year period. Approximately (327) 89% of all construction projects were approved; among the highest rates of all CON projects during FY2000-FY2005. Only 5% (17) construction projects were denied during this time frame.

CON Projects (Appeals & Reversals) FY2000-FY2005



Source: Georgia Department of Community Health, (as of 11/08/05)

NOTES PERTAINING TO ALL CHARTS

Withdrawn - Withdrawn prior to a DCH decision
Appealed - Information is incomplete for appeals submitted between 6/2000 and 10/2001
Percent Appealed - The percentage of DCH decisions that is appealed; not valid if you have selected all years
Decisions Reversed - Refers to DCH decisions that are reversed upon Administrative Appeal or Judicial Review; does not take into account instances in which projects were remanded to DCH and the agency changed its decision;

During FY2000-FY2005, of the 666 CON projects that were submitted, 109 (18%) decisions were appealed. Of those, 19 (3%) decisions were reversed. The largest number of projects were appealed during FY2004 (35); 26% and FY2003 (29); 24%. There was one (1) appeal during FY2000 which resulted in a decision reversal. The largest number of reversals was handed down during FY2001.

This data continues to support and substantiate the quality of the Department's State Health Plans and Rules that are regularly updated by the Council's Technical Advisory Committees and is a further testimony to the efficiency and consistency of the Department's staff in interpreting the intent of the Plans and Rules.

Published for the Health Strategies Council by the
Department of Community Health/Division of Health Planning

■

Stephanie V. Taylor, MPS, Senior Health Systems Analyst

2 Peachtree Street, NW, 34th Floor
Atlanta, Georgia 30303-3159
www.communityhealth.state.ga.us
(404) 656-0655